

107TH CONGRESS  
1ST SESSION

# H. R. 436

To amend the Internal Revenue Code of 1986 to repeal the dollar limitation on the deduction for interest on education loans, to increase the income threshold for the phase out of such deduction, and to repeal the 60-month limitation on the amount of such interest that is allowable as a deduction.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2001

Mr. ENGLISH (for himself and Mr. HULSHOF) introduced the following bill;  
which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to repeal the dollar limitation on the deduction for interest on education loans, to increase the income threshold for the phase out of such deduction, and to repeal the 60-month limitation on the amount of such interest that is allowable as a deduction.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXPANSION OF DEDUCTION FOR INTEREST ON**  
 2 **EDUCATION LOANS.**

3 (a) REPEAL OF DOLLAR LIMITATION ON, AND IN-  
 4 CREASE IN INCOME THRESHOLD FOR PHASE OUT OF, DE-  
 5 Duction FOR INTEREST ON EDUCATION LOANS.—

6 (1) IN GENERAL.—Subsection (b) of section  
 7 221 of the Internal Revenue Code of 1986 (relating  
 8 to maximum deduction) is amended to read as fol-  
 9 lows:

10 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-  
 11 COME.—

12 “(1) IN GENERAL.—The amount which would  
 13 (but for this subsection) be allowable as a deduction  
 14 under this section shall be reduced (but not below  
 15 zero) by the amount determined under paragraph  
 16 (2).

17 “(2) AMOUNT OF REDUCTION.—The amount  
 18 determined under this paragraph is the amount  
 19 which bears the same ratio to the amount which  
 20 would be so taken into account as—

21 “(A) the excess of—

22 “(i) the taxpayer’s modified adjusted  
 23 gross income for such taxable year, over

24 “(ii) \$100,000 (\$150,000 in the case  
 25 of a joint return), bears to

26 “(B) \$15,000.

1 “(3) MODIFIED ADJUSTED GROSS INCOME.—

2 The term ‘modified adjusted gross income’ means  
3 adjusted gross income determined—

4 “(A) without regard to this section and  
5 sections 911, 931, and 933, and

6 “(B) after application of sections 86, 135,  
7 137, 219, and 469.”.

8 (2) EFFECTIVE DATE.—The amendment made  
9 by paragraph (1) shall apply to taxable years begin-  
10 ning after December 31, 2001.

11 (b) REPEAL OF 60-MONTH LIMITATION ON DEDUC-  
12 TION FOR INTEREST ON EDUCATION LOANS.—

13 (1) IN GENERAL.—Section 221 of the Internal  
14 Revenue Code of 1986 (relating to interest on edu-  
15 cation loans) is amended by striking subsection (d)  
16 and by redesignating subsections (e), (f), and (g) as  
17 subsections (d), (e), and (f), respectively.

18 (2) CONFORMING AMENDMENT.—Subsection (e)  
19 of section 6050S of such Code is amended by strik-  
20 ing “section 221(e)(1)” and inserting “section  
21 221(d)(1)”.

22 (3) EFFECTIVE DATE.—The amendments made  
23 by this subsection shall apply to loan interest pay-

- 1        ments due and paid after December 31, 2001, in
- 2        taxable years ending after such date.

